



# *The Insider*

[www.senate.michigan.gov/switalski](http://www.senate.michigan.gov/switalski)

## Inside State Politics with State Senator Mickey Switalski Senate District 10

August 7, 2009

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov) or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a location near you. Call my office and make an appointment or just walk in. See the schedule below for details.

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### Mickey's Blog: Macomb Gets Hosed

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As the late Rodney Dangerfield put it, Macomb just can't get no respect.

Stimulus funds to hire more cops were awarded in July, but Macomb was shut out. 46 different agencies got funding, including Detroit for \$11 million, Dearborn, \$2.2 million, Grand Rapids, \$2 million, and Flint, \$1.4 million.

No Macomb city got a penny.

This comes after an earlier portion of the stimulus package snubbed Michigan's 3<sup>rd</sup> largest county for Energy Efficiency dollars.

As part of the Federal Stimulus Package, the Feds sent \$76 million to Michigan to make local governments more energy efficient. Unfortunately, the distribution of those funds was based on an arcane formula that gave Macomb a tiny fraction of what several smaller counties received.

Just consider the fairness of the distribution represented in the table below.

<u>County</u>	<u>Population</u>	<u>Energy Grant</u>
Wayne	1.9 million	\$4.9 million
Oakland	1.2 million	\$4.9 million
<b>Macomb</b>	<b>.8 million</b>	<b>\$.7 million</b>
Kent	.6 million	\$2.8 million
Genesee	.4 million	\$2.6 million
Ottawa	.2 million	\$2.0 million

When I saw this in the details of the Stimulus Oversight Committee I serve on, I brought the discrepancy to the attention of state officials.

“Surely there is a typo here,” I asked officials from the Energy Department. “That can’t possibly be the correct distribution.” After checking it out, they got back to me with the bad news. The numbers were indeed correct, and the Federal Formula used to determine allocation could not be changed by the state.

I informed my Senate colleagues from Macomb, who promptly voted against the bill in protest, and told the House members, who sent a strongly worded letter of objection to our Federal representatives.

I believe this unfair formula should be permanently retired. Check out the following link and I think you will agree: [http://www.eecbg.energy.gov/downloads/EECBG\\_Federal\\_Register\\_Notice\\_04\\_15\\_09.pdf](http://www.eecbg.energy.gov/downloads/EECBG_Federal_Register_Notice_04_15_09.pdf).

In my experience, formulas this complicated are meant to obscure who gets what and why.

In the Federal Register, grants are determined by two main equations called “Alternative One” and “Alternative Two” but are more commonly referred to as entitlement and non-entitlement grants. Each local government’s or county’s allocation is based on whether they qualify as entitled or non-entitled. An entitled city is one that ranks within the ten largest cities of its state- a non-entitled city is one whose population is between 35,000 and 50,000. Cities with populations greater than 50,000 qualify for both funding options. Counties are funded slightly differently. A county ranked within the top ten of its state is eligible for entitlement funding only, even if the population is below 200,000. When it comes to Michigan, most counties are considered entitled – the tiny Ottawa County, which has no entitled cities at all, is considered in the top 10.

Technical jargon aside, it is important to look at what these numbers mean to a county as a whole. A county with a lot of medium, “entitled” cities will ultimately receive less funding than a potentially smaller county with cities that would not qualify as entitled. Conversely, a big county may receive significantly more money than a slightly smaller one due to the size of that county’s cities.

To evaluate the formula’s impact on Michigan, consider Macomb County, estimated to have a population of about 830,000, and compare it to a smaller Kent County (population of about 605,000) and a larger Oakland County (population of about 1.2 million). With populations that are so similar, one would assume that county grant allocations would follow the same course. Kent County is allocated \$2.8 million dollars and the larger Oakland County receives around \$4.9 million.

Seems about right. And Macomb? \$746,000.

Kent County is allocated *quadruple* the amount of money that Macomb receives, and Oakland County gets about *six times* more money than Macomb County. What may seem to be a giant mistake in computations turns out to be just what the formula ordered.

This is due to entitled cities, townships, and local governments. Larger cities are also eligible for grants, so it is fair to take them into account. One can argue that the Kent County allocation is fair – their respective cities are allocated a total of \$2.8 million. However, when comparing Macomb and Oakland, the discrepancy is clearly noticeable. The smaller Macomb County is made up of fewer, larger townships and cities – at least five are considered entitled, including Clinton Township (\$900,000), Sterling Heights (\$1.2 million) and Warren (\$1.3 million). Amazingly, each one of these cities is allocated more money than the county itself!

Oakland County is made up of about 62 cities and local governments (as opposed to the 24 in Kent County and the 28 in Macomb County), many of which are considered non-entitled. In total, Oakland

County cities receive about nine hundred thousand dollars more (\$6.5 million) than Macomb's cities (\$5.6 million).

On balance, distribution to the cities seems fair, though the \$8.8 million awarded to Detroit should raise an eyebrow. But the distribution to the Counties is farcical.

The formula also uses a concept called "daytime population," which influences distributions by about 30%. There are several flaws with this concept. First of all, there are twenty four regions where daytime population figures do not exist – including Vermont, New York, and Michigan. How can we allocate millions of grant dollars based on figures that simply do not exist?

Also, a daytime population benefits major cities, not mid-major ones like those in Macomb. There are significantly more people commuting to Detroit than to a township like Clinton or a smaller city like Warren. This will benefit the already large cities and concurrently large counties in a system where mid-size cities are already being unjustly treated. Lastly, daytime populations do not affect smaller cities because they are not eligible for entitlement funding. Therefore, daytime populations clearly benefit large cities and do not affect small ones yet have a definitively negative impact on mid-sized areas.

Quite simply, the formula has two inherent flaws – counties are rewarded for having smaller cities and larger cities have an advantage due to their daytime populations, while mid-sized cities are affected negatively. How does a county with only 400,000 more people than another receive six times the amount of money allocated strictly to the county as well as five million overall? Oakland also suffers when compared to Wayne County, which only has 700,000 more people than Oakland County yet receives 7.2 million dollars more - a result of daytime population figures. Funding is grossly slanted towards counties with a larger number of smaller cities even when compared on a total allocation level.

Finally, why should money awarded to make government buildings more energy efficient have any relation to "daytime population?" Do government buildings shut down when city residents commute across city limits, and reopen when they return? Should this factor influence funding by 30%? I say no.

Clearly, Macomb is getting the short end of the stick on the distribution of Federal funds.

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### **Mickey's Notes**

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#### **HELP IS OUT THERE: STATE AND LOCAL JOB PROGRAMS FOR JOB SEEKERS**

The recent Chrysler and General Motors bankruptcies mean that even more families will need job search and family assistance programs. There is a lot of help available for job seekers, but unfortunately many people don't know how to access these programs. I hope that readers will find the following information helpful. These programs are available for job seekers:

- Career Education and Workforce Programs (Department of Energy, Labor and Economic Growth). For job programs for veterans, people transitioning from welfare to work, specialized job placement programs, and dislocated/laid off worker assistance, visit the website at <http://www.michigan.gov/mdcd/0,1607,7-122-1679---,00.html>.
- Rapid Response Program (Department of Energy, Labor and Economic Growth): 1-517-373-6234. This program begins when Rapid Response is notified of a plant closing or mass lay-off,

and helps people with their job search and new training they may need. Visit the website at [http://www.michigan.gov/mdcd/0,1607,7-122-1678\\_2665---,00.html](http://www.michigan.gov/mdcd/0,1607,7-122-1678_2665---,00.html).

- The Macomb County Small Business and Technology Development Center provides counseling, training, research, and advocacy for new ventures, new start-up businesses, and existing small businesses. You can contact them at [SBTDC@macombcountymi.gov](mailto:SBTDC@macombcountymi.gov) or by calling 1-586-469-5118.
- Unemployment Insurance Agency. To file your claim by phone call 1-866-500-0017. To inquire about your claim call 1-866-500-0017, and press 3. To find answers to general questions about unemployment benefits, and to print forms, log on to [www.michigan.gov/uia](http://www.michigan.gov/uia).
- Michigan Talent Bank: 1-888-253-6855. This site lists new job openings monthly and allows people to post their resume. Visit the website at: [https://www.michworks.org/mtb/user/MTB\\_EMPL.EntryMainPage](https://www.michworks.org/mtb/user/MTB_EMPL.EntryMainPage).
- The United Way of Southeastern Michigan. The United Way runs the 211 Help Line which connects people with helpful services just as 911 connects people with emergency services. People simply dial 211 (or 1-800-552-1183) and use the United Way as their link to local and state programs. 211 can make referrals to agencies that can help with job training, rent, mortgage payments, and the cost of food or prescriptions. 211 is a lifeline for people in difficult situations trying to navigate their way through local and state programs.

## **MICHIGAN EXPANDS AUTOMATED TELEPHONE HOURS TO ACCEPT UNEMPLOYMENT CLAIMS**

Jobless workers who are applying for unemployment benefits can now file their claims 24 hours a day Monday through Saturday by using an automated telephone system at the state's Unemployment Insurance Agency (UIA). The automated telephone system is now available from 7:00 a.m. Monday through 7:00 p.m. Saturday except the first Saturday of the month (the same hours as their online application system). Additionally, this recent enhancement allows workers to change their benefit payment option from debit card to direct deposit or vice versa at their convenience, whether it is at 8:00 p.m. or 2:00 a.m.

Callers can reach the automated system by dialing the UIA's toll-free telephone number 1-866-500-0017. The automated phone system does not have any UIA representatives available to help callers either before or after regular business hours and representatives are only available during normal business hours (weekdays from 8:00 a.m. until 6:00 p.m.).

## **TIPS FOR PREVENTING IDENTITY THEFT**

Identity theft is a serious issue and you can take many precautions to help reduce the risk of becoming a victim. These include reviewing your credit report annually; never giving out identifying information in response to a unsolicited offer unless you initiate the contact; and when using the Internet, ensuring a website is a secure site by looking for an "s" in the address bar (https). You can view additional tips on preventing identity theft as well as what to do if you have become a victim by clicking on the following link to a brochure provided by the Michigan State Police:

[http://www.michigan.gov/documents/ID\\_Theft\\_94764\\_7.pdf](http://www.michigan.gov/documents/ID_Theft_94764_7.pdf).

Additional information can be found at the Michigan State Police Identity Theft Unit website, located at [http://www.michigan.gov/msp/0,1607,7-123-1589\\_35832---,00.html](http://www.michigan.gov/msp/0,1607,7-123-1589_35832---,00.html).

## **MSHDA ANNOUNCES FOUR NEW PROGRAMS FOR FIRST TIME HOMEBUYERS**

The Michigan State Housing and Development Authority announced the restoration of a federal tax credit program along with new programs that will give Michigan residents an unprecedented opportunity to purchase affordable homes through the Michigan State Housing Development Authority (MSHDA). The funding is provided by the federal Housing and Economic Recovery Act of 2008 (HERA),

The first program offers new enhancements to MSHDA's existing Down Payment Assistance Program (DPA). Income limits have been increased to parallel single-family income limits, improving a potential homebuyer's ability to qualify for DPA loans. Homebuyers may also take advantage of the first-time homebuyer \$8,000 federal tax credit provided for under the American Recovery and Reinvestment Act of 2009 (ARRA). The second program is the federal Michigan Mortgage Credit Certificate (MCC) program that has been resurrected following a three-year hiatus and allows a tax credit of 20 percent of the interest a borrower pays during the term of a home mortgage.

Two other programs have also been created under the HERA that has allocated \$10 million dollars through the federal Neighborhood Stabilization Program to assist new buyers purchasing foreclosed or abandoned homes. This effort will assist communities across the state with elimination of blight and rejuvenation of neighborhoods.

Full details of the varying programs are accessible at the MSHDA website: [www.michigan.gov/mshda](http://www.michigan.gov/mshda). Once at the site, click on "Homeownership" on the left hand side of the home page. All eligibility requirements and program details are readily available.

## **ANSWER THE CALL FOR COMMUNITY SERVICE**

This summer, we are called upon to be part of United We Serve, an unprecedented national call to service to help Americans of all ages join together to address our communities' diverse needs. This is a call to make service to others a way of life, not just a day-long, week-long, or summer-long event.

A new website has been launched to track volunteer opportunities, [www.serve.gov](http://www.serve.gov). This movement is about more than just a single day of service - it is about committing to an ongoing ethic of service to our communities and taking ownership of the future of our state and nation. Organizations needing volunteers can register at the website to get matched up with volunteers. Citizens interested in volunteering can also visit Michigan's volunteer website, [www.michigan.gov/volunteer](http://www.michigan.gov/volunteer).

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## **Coffee Hours**

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\*In response to requests from constituents, I have added coffee hours in Roseville and during the daytime. Here are my next scheduled coffee hours. Please feel to stop on by or make an appointment by calling my office.

<b>August 31</b> <b>1:30-2:30 p.m.</b>	<b>September 28</b> <b>7-8 p.m.</b>
<b>Senator Switalski's District Office</b> (31513 Gratiot, Suite B) Roseville	<b>Senator Switalski's District Office</b> (31513 Gratiot, Suite B) Roseville

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## Mickey's TV Insider Show

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Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

### **Sterling Heights**

Every Saturday and Sunday at 1 p.m.  
(Comcast Channel 5/WOW Channel 10)

### **Utica**

Every Wednesday at 9 a.m.  
(Comcast Channel 5/WOW Channel 10)

### **Clinton Township**

Last week of every month- Sat thru Thurs  
(Comcast Channel 5/WOW Channel 10)

### **Roseville**

Various Times-check local listings  
(Comcast Channel 18/WOW Channel 10)

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## Contact My Office

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**Website:** <http://www.senate.michigan.gov/switalski>

**Email:** [senmswitalski@senate.michigan.gov](mailto:senmswitalski@senate.michigan.gov)

### **Lansing Office**

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### **District Office**

31513 Gratiot, Suite B  
Roseville, MI 48066

Monday through Friday  
9:00 A.M. to 5:00 P.M.

(586) 294-0925 phone  
Fax- (586) 294-0985